

REMARKS/ARGUMENTS

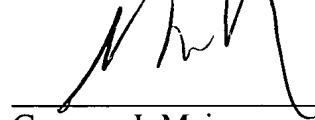
Claims 2 and 3 were rejected under 35 U.S.C. § 102 as being anticipated by Glab et al. Additionally, Claims 4, 5, 7 and 8 were rejected under 35 U.S.C. § 103 as being obvious over Takahashi et al in view of Glab et al, wherein Glab et al was cited to teach gradually decreasing the torque transmission.

Applicants wish to thank Examiner Boehler for the courtesy of an interview on June 26, 2007, at which time the outstanding Office Action was discussed. In particular, Applicants pointed out that the claims recite control to switch the drive mode from a two-wheel drive mode to a four-wheel drive mode. Glab et al is instead directed to a system for controlling a transfer case clutch assembly during a torque release strategy, i.e., during release from four wheel drive to two wheel drive, in order to minimize cycling or slipping of the clutch (col. 1, lines 10-11 and 31-50). Glab et al is thus incapable of teaching the subject matter of Claims 2-3 or of motivating one skilled in the art to modify Takahashi et al according to Claims 4, 5, 7 and 8. It was therefore agreed during the interview that the outstanding rejections would be withdrawn.

Applicants therefore believe that the present application is in a condition for allowance and respectfully solicit an early Notice of Allowability.

Respectfully submitted,

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